

PROPOSED CONSTITUTIONAL AMENDMENTS

SENATE JOINT RESOLUTIONS

S.J.R. No. 4

SENATE JOINT RESOLUTION

proposing a constitutional amendment to permit branch banking under certain circumstances.

Be it resolved by the Legislature of the State of Texas:

SECTION 1. Article XVI, Section 16, Subsections (a) and (c), of the Texas Constitution are amended to read as follows:

"(a) The Legislature shall by general laws, authorize the incorporation of *state banks and savings and loan associations* ~~[corporate bodies with banking and discounting privileges,]~~ and shall provide for a system of State supervision, regulation and control of such bodies which will adequately protect and secure the depositors and creditors thereof.

"No *state bank* ~~[such corporate body]~~ shall be chartered until all of the authorized capital stock has been subscribed and paid in full in cash. Except as may be permitted by the Legislature pursuant to *Subsections* ~~[Subsection]~~ (b), (d), and (e) of this Section 16, a *state bank* ~~[such body corporate]~~ shall not be authorized to engage in business at more than one place which shall be designated in its charter; *however, this restriction shall not apply to any other type of financial institution chartered under the laws of this state.*

"No foreign corporation, other than the national banks of the United States domiciled in this State, shall be permitted to exercise banking or discounting privileges in this State."

"(c) A *state bank* ~~[corporate body]~~ created by virtue of the power granted by this section, notwithstanding any other provision of this section, has the same rights and privileges that are or may be granted to national banks of the United States domiciled in this State."

SECTION 2. Article XVI, Section 16, of the Texas Constitution is amended by adding Subsections (d), (e), and (f) to read as follows:

"(d) *The Legislature may authorize a state bank or national bank of the United States domiciled in this State to engage in business at more than one place if it does so through the purchase and assumption of certain assets and liabilities of a failed state bank or a failed national bank of the United States domiciled in this State.*

"(e) *The Legislature shall authorize a state bank or national bank of the United States domiciled in this State to establish and operate banking facilities at locations within the county or city of its domicile, subject to limitations the Legislature imposes. The Legislature may permit a bank domiciled within a city located in two or more counties to establish and operate branches within both the city and the county of its domicile, subject to limitations the Legislature imposes.*

"(f) *A bank may not be considered a branch or facility of another bank solely because it is owned or controlled by the same stockholders as the other bank, has common accounting and administrative systems with the other bank, or has a name similar to the other bank's or because of a combination of those factors.*"

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 4, 1986. The ballot shall be printed to provide for

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voting for or against the proposition: "The constitutional amendment to provide that a bank may offer full service banking at more than one location within the city or county where its principal facility is located, subject to limitations and restrictions provided by law."

Passed by the Senate on August 20, 1986: Yeas 26, Nays 2; passed by the House on August 26, 1986: Yeas 118, Nays 23, one present not voting.

Filed with the Secretary of State, Aug. 28, 1986.